# RAJYA SABHA

*Tuesday, the 22nd August, 1995/31 Sravana, 1917 (Saka)*

**The House met at eleven of the clock**

**The Deputy Chairman in the Chair.**

## OBITUARY REFERENCE

THE DEPUTY CHAIRMAN: Hon. Members, I refer with profound sorrow to the passing away of Shri Mohammed Usman Arif, a former Member of the Rajya Sabha, at the age of 67 years.

Born at Bikaner in 1928, Shri Mohammed Usman Arif was educated at Bikaner and Aligarh Muslim University. A lawyer by professioin, Shri Arif was engaged in the promotion of communal harmony, secularism and national integration. He was closely associated with several organisations and bodies related to art and literature.

Shri Mohammed Usman Arif represented the State of Rajasthan in this House from April, 1970 to April, 1976 from April, 1976 to April, 1982 and again from April, 1982 to March, 1985. He was a Member of the Public Accounts Committee from 1974 to 1976 and was also the Chairman of the House Committee, Rajya Sabha, from 1976 to 1978. During his membership of the Rajya Sabha he evinced keen interest in the proceedings of the House. He also attended the 26th Session of the U.N. General Assembly held in New York in 1971. Shri Arif was also a Deputy Minister in the Union Council of Ministers from 1980 to 1984 holding the portfolios of Works and Housing; Agriculture and Civil Supplies. In March, 1985 he was appointed Governor of Uttar Pradesh. Shri Arif was a distinguished Urdu poet and also authored several publications in Urdu.

In the passing away of Shri Mohammed Usman Arif the country has lost an experienced parliamentarian and an able administrator.

We deeply mourn the passing away of Shri Mohammed Usman Arif.

I request the Members to rise in their places and observe silence as a mark of respect to the memory of the departed.

*(Hon. Members then stood in silence for one minute.)*

THE DEPUTY CHAIRMAN: The Secretary-General will convey to the members of the bereaved family our sense of profound sorrow and deep sympathy.

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## ORAL ANSWERS TO QUESTIONS

### Sick Units of Bihar and U.P.

*261. SHRI JANARDAN YADAV: Will the Minister of FINANCE be pleased to state:

(a) what are the names of the sick industrial units of Bihar and Uttar Pradesh registered with the Board of Industrial and Financial Reconstruction as on 15th March, 1995;

(b) the name of the State which tops in having maximum sick industrial units registered with BIFR; and

(c) what are the further plans of BIFR for getting these units viable?

THE MINISTER OF FINANCE (SHRI MANMOHAN SINGH): (a) to (c) A Statement is laid on the Table of the House.

**Statement**

(a) The Board for Industrial and Financial Reconstruction (BIFR) has reported that till 15th March, 1995, 54 sick industrial companies of Bihar and 162 sick industrial companies of Uttar Pradesh were registered with it. The time and labour involved in giving the names of these 216 sick industrial companies may not be commensurate with the results to be achieved.

(b) Maharashtra had the largest number of sick industrial companies registered with the BIFR as on 15th March, 1995.

(c) The references received by the BIFR are dealt with by it under the provisions of Sick Industrial Companies (Special Provisions) Act, 1985 (SICA). The BIFR formulates a revival scheme incorporating reliefs/concessions/sacrifices, provision of additional funds, etc. by the administrative ministry or the State Government, banks/financial institutions, workers etc. wherever feasible and sanctions a revival scheme under SICA with the consent of all concerned. In other cases, BIFR may recommend to concerned High Courts winding up of sick industrial companies. The position as on 15th March, 1995 of 216 cases of sick industrial companies mentioned above is given below:

| | Bihar | Uttar Pradesh |
|---|---|---|
| Dismissed as non-maintainable | 13 | 39 |
| Rehabilitation schemes sanctioned under Section 17(2)/18(4) of SICA | 5 | 27 |
| Winding up recommended under Section 20(1) of SICA | 21 | 42 |
| Draft Scheme circulated | 2 | 6 |
| Winding up notice issued | 1 | 6 |
| Cases once decided but re-opened and under process or remanded | 1 | 4 |
| Stay ordered by Courts | — | 3 |
| Cases under various stages of inquiry | 9 | 29 |
| Others | 2 | 6 |
| Total: | 54 | 162 |

**श्री जनार्दन यादव:** महोदया, मैं आपके माध्यम से मंत्री जी से जानना चाहता हूं कि 54 इंडस्ट्रीज़ बिहार में और 162 उत्तर प्रदेश में सिक हैं, जो औद्योगिक एवं वित्तीय पुनर्निर्माण बोर्ड के सामने आयी है लेकिन इसके अतिरिक्त भी बिहार में लाखों मध्यम और मझौले उद्योग हैं जो बंद हो गये हैं। जवाब में मंत्री महोदय ने बताया है कि बिहार में 13 और उत्तर प्रदेश में 39 ऐसी सिक इंडस्ट्रीज़ हैं जिन्होंने आवेदन पत्र दिया था, उसको खत्म कर दिया है, रिजैक्ट कर दिया है और उस पर सुनवाई नहीं हुई है। तो बिहार की 13 और उत्तर प्रदेश की 39 कौन-कौन सी इंडस्ट्रीज़ सिक हैं जिनका पुनर्वास नहीं किया, और जिनका नाम खारिज कर दिया है? मंत्री महोदय से अनुरोध है कि वह उनके नाम बताएं और उनको खारिज करने का क्या कारण है, यह बताएं।

SHRI MANMOHAN SINGH: Madam, under the SICA it is mandatory that any unit which has been registered for not less then five years and has incurred losses equal to or exceeding the net worth has to go before the BIFR. The BIFR looks into all these cases. After all these things, the BIFR decides whether the applications is maintainable or not. If the application is maintainable, they work out a viable package and for that they need the consent of all parties regarding the consessions that are required. If for some reason they find that the application is not maintainable, then that application is discharged at the preliminary stage.

**श्री जनार्दन यादव:** मैंने नाम मांगे थे। 13 बिहार के और 39 उत्तर प्रदेश के, जिसको खारिज किया गया है।

**उपसभापति:** यह दूसरा सप्लीमैंटरी है।

**श्री जनार्दन यादव:** पहला ही है।

**उपसभापति:** दूसरा भी पूछ लीजिए तो साथ में ही जवाब आ जाएगा।

SHRI M.A. BABY: Madam, there is no guarantee.

THE DEPUTY CHAIRMAN: Guarantee is there.

SHRI MANMOHAN SINGH: Madam, I have the names of all these individual companies. I will make these available to the hon. Member.

**श्री जनार्दन यादव:** महोदया, मैं आपके माध्यम से दूसरा प्रश्न पूछना चाहता हूं कि मंत्री महोदय ने उदारीकरण और भूमण्डीकरण को स्वीकार किया है। हिन्दुस्तान में अधिक से अधिक लोगों को काम मिले

इसलिए उदारीकरण को उद्योगों में स्वीकार किया गया है। एक तरफ तो आपने उदारीकरण को स्वीकार किया है, भूमण्डीकरण को स्वीकार किया है लेकिन दूसरी तरफ हिन्दुस्तान के राज्यों में, बिहार में, उत्तर प्रदेश में और अन्य राज्यों में जो लोगों ने निजी उद्योग लगाए हुए हैं, वह करीब-करीब मृतप्राय हो गये है। तो ऐसे उद्योगों को, जो सिक्क है या सिक्क होने वाले हैं, जो मृतप्राय हो गये हैं, अपने स्तर पर पूंजी देकर क्या आप उनके पुनर्निर्माण का कार्य करना चाहते हैं और अगर करना चाहते हैं तो करें नहीं तो आपका उदारीकरण और भूमण्डीकरण असफल हो जाएगा। हिन्दुस्तान में लगे हुए जो उद्योग हैं और जो बरसों से काम कर रहे हैं, जिनमें लाखों लोग लगे हुए है, जो बंद होने के कगार पर हैं, क्या आप तुरंत उदारीकरण के नाम से नये उद्योग कायम करके उनमें लगे हुए मजदूरों को काम देंगे? मैं पूछना चाहता हूं कि हिन्दुस्तान में जो उद्योग बंद पड़े है या बंद होने के कगार पर हैं, उन्हें खड़ा करने के लिए आपकी क्या योजना है?

SHRI MANMOHAN SINGH: Madam, the very objects of SICA are essentially to rehabilitate and revive the sick units. Closure is a measure of last resort. Whichever unit become sick and goes before the BIFR, the primary effort is to bring together all the creditors and all concerned entities and to find out what concessions are needed to make that unit viable. So, everything is being done within the statute to ensure that the potentially viable units are helped to revive and if any concessions are required from the State Government or from the Central Government or from the banking system, those concessions are given. The Reserve Bank of India has laid down precise guidelines as far as concessions from the banking system are concerned.

**श्री जनार्दन यादव:** रांची में जो है...

**उपसभापति:** यादव जो आप बैठ जाइये।

**श्री जनार्दन यादव:** जो सबसे पुरानी इंडस्ट्री है, पब्लिक अंडरटेकिंग है और रांची में है वह सिक्क होने जा रही है उसके बारे में आप क्या सोच रहे हैं?...(व्यवधान)...

**उपसभापति:** यादव जी आप बैठ जाइये। It is not going on record. आपके दो सप्लीमैंटरी हो चुके है।

SHRI MANMOHAN SINGH: Madam, we are very earnest to do all that is necessary to rehabilitate and revive the HEC. Several studies have been undertaken. The Prime Minister has assured the Parliament that we will make every effort to revive the HEC.

SHRI DIPANKAR MUKHERJEE: I would like to ask the finance Minister whether he is aware that many of these promoters, after referring these units to the BIFR, are taking advantage of the provisions of the act to deprive the workers of their statutory dues, because once these are registered with the BIFR, the statutory authorities like the Provident Fund Commissioner and the E.S.I. authorities cannot claim that money from the promoters. The workers are having a lot of problems in getting their dues once these units are registered with the BIFR. The Act prohibits the statutory authoities to intervene in such matters. So, what action is being taken by the Government to ensure that on the plea that these units are under the BIFR, the promoters are not allowed to get away with these types of malpractices?

SHRI MANMOHAN SINGH: Madam, this is a question about the sick industrial units in Uttar Pradesh and Bihar. While I appreciate the relevance of the question, I would request the hon. Member to put a specific question. As of now, I cannot give a precise answer to that question.

SHRI RAJNI RANJAN SAHU: Madam Deputy Chairperson, I would like to concentrate my question only on Bihar. My friend has very rightly asked about the sickness of HEC and other public sector units. As per the reply, about 54 units have become sick in Bihar. Out of these, 35 units application have either been dismissed or have been ordered to be wound up. Hence more than 50% of the units are not likely to be revived. As the hon. Minister might be aware, the BIFR has itself a sick organisation because they do not have the full capacity to deal with these units and that

is why they either dismiss the application or they order for their winding up, without going into the details. This is my information. I may be incorrect. The Minister can correct me. I would like to know from the Minister can correct me. I would like to know from the Minister if he is aware that inspite of the fact that the BIFR has given permission for rehabilitation of five units, the banks are not co-operating, the banks are not prepared to accept the rehabilitation package given by the BIFR. If it is a fact, then what action is he going to take against those banks?

SHRI MANMOHAN SINGH: I do not share the perception of the hon. member that the BIFR is not functioning to its full capacity. Today, all the members who ought to be there, are in position. There were problems in the past. But, Madam, there has been a distinct improvement in the speed with which cases are cleared. For example, the average time taken for the cases from 1987 to 1991 was 739 days. In 1992, it came down to 457. In 1993, it came down to 196. In 1994, it came down to 105 days. There has been a definite progress and the BIFR's functioning has certainly improved very considerably. As far as these specific five units are concerned, I do not have the details before me. But as I said, the BFIR makes efforts to bring all parties together. It is a quasi-judicial body, and therefore, all interests are represented before it. The effort of the BIFR is to evolve a formula acceptable to all concerned. I do not have the details of these five cases. If the hon. Member makes them available to me, I will provide him the necessary information.

**श्री शिवचरण सिंह:** महोदया, इस प्रश्न के पार्ट "ख" में पूछा गया है कि किस राज्य में औद्योगिक और वित्तीय पुनर्निर्माण बोर्ड के पास पंजीकृत सर्वाधिक रुग्ण औद्योगिक एकक हैं, तो मैं जानना चाहता हूं कि राजस्थान में कितनी रुग्ण इंडस्ट्री हैं? खासकर सवाई माधोपुर की सीमेंट फैक्टरी जो एशिया की सबसे बड़ी सीमेंट फैक्टरी है और जो बी०आई०एफ०आर० को रेफर होने के बाद बम्बई की किसी पार्टी, जो मोरारका से संबंधित है, उसको दी गई है, मैं जानना चाहता हूं कि वह फैक्टरी कब तक चालू होगी।

SHRI MANMOHAN SINGH: Madam, I do not have the information about Rajasthan. I need separate notice for this question.

**श्री शिवचरण सिंह:** पार्ट "क" में उत्तर प्रदेश और बिहार के बारे में है लेकिन पार्ट "ख" जनरल क्वेश्चन है।

**उपसभापति:** शिवचरण सिंह जी, बैठिए। क्वेश्चन का जो मेन टौपिक है वह यू०पी० और बिहार है। अगर पार्ट "ख" या "ब" में बी०आई०एफ०आर० लिखा है तो इसका मतलब है कि यह यू०पी० और बिहार के विषय में ही है नाट फार एन्टायर कन्ट्री।

**श्री शिवचरण सिंह:** किस राज्य में औद्योगिक और वित्तीय पुनर्निर्माण बोर्ड के पास पंजीकृत सर्वाधिक रुग्ण औद्योगिक एकक हैं, यह सारे भारतवर्ष के बारे में पूछा गया है। आप प्रश्न का पार्ट "ख" देखिए। मंत्री जी उत्तर देने के लिए तैयार नहीं है तो मैं अपना प्रश्न वापस ले लेता हूं। लेकिन पार्ट "ख" में पूरे देश के बारे में पूछा गया है।

THE DEPUTY CHAIRMAN: The Minister will get the information.

**श्री शिवचरण सिंह:** मिनिस्टर मुझे लिखकर भेज दें, बाद में मुझे बता दें।

SHRI MANMOHAN SINGH: Madam, I have no objection to sending to the hon. Member whatever information he needs. If he writes to me, I will be very happy to give the information.

**उपसभापति:** आप उनको जानकारी भेज दीजिएगा।

SHRI PARMESHWAR KUMAR AGARWALLA: Industrial sickness in the country is increasing. ...*(Interruptions)*...

THE DEPUTY CHAIRMAN: I have all the names before me. The Members should not get agitated. One by one, I am going to call all of them. I know everybody is very impatient to put questions. But I will call them as the names come. There are other questions also.

SHRI PARMESHWAR KUMAR AGARWALLA: Madam, through you, I

would like to know from the hon. Finance Minister as to how many public sector undertakings have become sick and how many of them are before the BIFR in these two States. I would also like to know how many of them are likely to be revived. What is the total amount of investment made in the sick industries?

SHRI MANMOHAN SINGH: I had somewhere the information about the distribution between the public and the private sectors. I am sorry I do not have the details about the private and the public sectors in Bihar. But as far as the country as a whole is concerned, I have the details. They are as on 30th June, 1995. References received: 2,405; private sector 2,227; public sector — 178. References registered: Total number — 1,703, of which the private sector accounts for 1,570 and the public sector 133. Winding up recommended — Total number of cases — 383, of which 372 are under the private sector and 11 are under the public sector. Under enquiry — 254 cases, of which 205 relate to private sector and 49 relate to the public sector.

**श्री चतुरानन मिश्र:** उपसभापति महोदया, यह बी०आई०एफ०आर० का जो प्रोसेस है, यह क्वासी ज्यूडिशियल है, बहुत टाइम कंज्यूमिंग है और इसके चलते बहुत बड़ा नेशनल लॉस हो रहा है। इसलिए मैं वित्त मंत्री महोदय से अनुरोध करना चाहता हूं कि क्या वे इस बात पर राज़ी होंगे कि पब्लिक सेक्टर की जो सिक यूनिट्स हैं, उनके लिए सरकारी लेवल पर बात कर के, जिससे एडवाइस लेना हो ले कर के, तुरंत, जल्द से जल्द उनकी सिकनेस को खत्म करने के लिए या रिहेबिलिटेट करने का इंतज़ाम किया जाए। हमारे पास सूचना है कि इंडस्ट्री डिपार्टमेंट, गवर्नमेंट आफ इण्डिया की जितनी सिक इंडस्ट्रीज़ हैं उनमें 1000 करोड़ रुपये से अधिक का वार्षिक नुकसान हो रहा है। हमारा अपना भी अनुभव है, आपके एच०ई०सी० का मामला है, इसमें क्या मंत्री महोदय इस पर राज़ी होंगे, बी०आई०एफ०आर० तो अपना कर ही रहा है लेकिन एक दूसरा रास्ता अडॉप्ट किया जाए? इसी से संबंधित यह है कि क्या सरकार कोई इनबिल्ट सिस्टम तैयार करेगी ताकि जो आने वाली सिकनेस है उसका चेक-अप टाइमली हो जाए? इन दो बिन्दुओं पर मैं मंत्री महोदय से जानना चाहूंगा। मंत्री महोदय जवाब दें।

SHRI MANMOHAN SINGH: Madam, I was very worried about this very aspect and that is why I had appointed a Committee under Dr. Goswami to look into this particular aspect, to check incipient sickness, but there was no unanimity. that report was discussed here. That was discussed in the Consultative Committee, and therefore, we have not pursued. But, I do agree with the hon. Member that there is a problem. The banks have locked up a large amount of capital. They have a vested interest in seeing that this money is recovered, and therefore, the Reserve Bank has issued guidelines that even in cases which do not go before the BIFR, wherever compromise settlement can be made to help these sick units to revive, it should be made and they should be revived. If there are any other suggestions, I would be very happy to consider them.

SHRI SURINDER KUMAR SINGLA: Madam, I would like to tell the hon. Finance Minister, that actually to me, the BIFR is spreading sickness in other institutions. I am saying this because, as the hon. Minister has mentioned, the banks and financial institutions who have to give concessions are not able to recover the money, they have to give concessions, and they have to give a lot of reliefs. In fact, the BIFR is becoming responsible for spreading sickness in other financial institutions. As the facts speak, out of 54 and 162 units, 59% units really don't get anything. they are either non-maintainable or the package is not offered or rejected. So, in the light of this, will the hon. Minister apply his mind to discontinuing this scheme? As rightly suggested by Shri Chaturanan Mishraji, before actually becoming completely sick, the problem should be dealt with when these units are really growing sick. If it is done, then wastage of resources in terms of concessions being offered would be minimum. Shri Chaturanan Mishraji rightly pointed out that loss of production comes later. So, the best thing would be

that you really have an in-built system rather than...

THE DEPUTY CHAIRMAN: Please put your question.

SHRI SURINDER KUMAR SINGLA: The question is whether he would like to assess the scheme and discontinue with it and have an in built system with the banks or with the financial institutions which really have to see to it. Secondly, I find that a retired Secretary of the Government of India is appointed as a member of the BIFR. Why is it so?

SHRI MANMOHAN SINGH: Madam, as I mentioned, the Goswami Committee went precisely into this question and it had suggested that the BIFR procedure is much too time-consuming, that very often action is initiated when it is too late and, that, therefore, they need a much quicker entity to tell us about and deal with problems of sickness. But that scheme of things ran into serious difficulties and I was not able to evolve a consensus of the hon. Members, and therefore, I do appreciate that there is a problem. I think, many other countries deal with this problem by having a bankruptcy law which enables creditors to foreclose when their dues are not paid and therefore managements have changed much sooner. Madam, these suggestions were put forward in the Goswami Committee Report but there was no consensus and, therefore, we have not pursued this matter so far.

**Incentives to Indian Airlines Pilots**

*262. SHRI V. RAJAN CHELLAPPA: Will the Minister of CIVIL AVIATION AND TOURISM be pleased to state:

(a) whether Government have decided to give more incentives to Indian Airlines pilots;

(b) if so, the details thereof;

(c) whether Government have framed rules regarding scheduled flights;

(d) if so, the details thereof; and

(e) the time by which these are likely to be implemented?

THE MINISTER OF CIVIL AVIATION AND TOURISM (SHRI GHULAM NABI AZAD): (a) to (e) A Statement is laid on the Table of the House.

**Statement**

(a) and (b) The emoluments payable to the pilots of Indian Airlines have already been enhanced substantially following a settlement signed by the Management with the Indian Commerical Pilots Association (ICPA) in November, 1993. Under this settlement, Variable allowances like Flying Allowance, Special Allowance and Experience Allowance have been linked to the hours of flying in respect of domestic flights. For international flights, the allowances would be payable on Air India pattern. In August, 1995, the Executive Pilots have also been granted Executive Flying Allowance linked to the hours of flying.

(c) to (e) Aircraft Rules, 1937 have been amended to provide for regulation of scheduled air transport services. The major requirements for grant of permission to operate scheduled air transport services are:

(i) The operator should have a minimum fleet of three aircraft registered in India.

(ii) The subscribed equity capital of the company should not be less than Rs. 15.00 crores in respect of operators having aircraft of all-up-weight exceeding 40,000 Kg. and Rs. 5.00 crores for operators having aircraft of all-up-weight not exceeding 40,000 Kg.

(iii) the operator should have not less than 3 sets of flight crew and cabin crew per aircraft.

(iv) The operators should ensure that the flight operations are conducted within the frame work of the Aircraft Act, 1934 and Aircraft Rules,